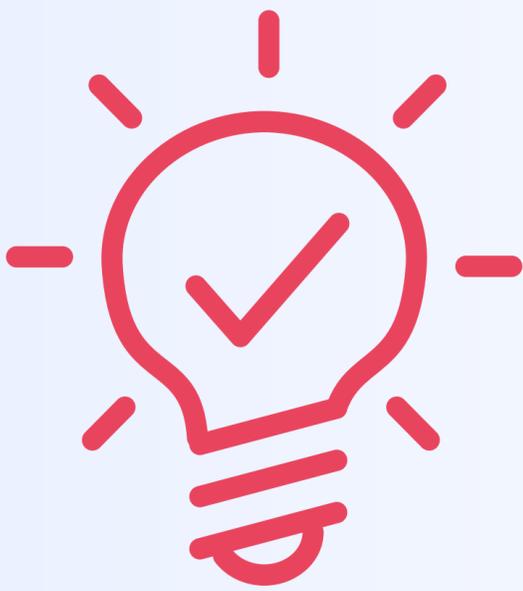


The Big Questions: Sports Wagering in America

Executive

Summary



As it has with several other debates of late, the UNLV International Gaming Institute (IGI) assembled an experienced team to address key questions that are emerging in U.S. policy debates over legalizing sports wagering.

These “**big questions**” were co-developed by the IGI and the sponsor of this report, the **GVC Foundation U.S.**. As with all IGI research, after agreeing upon the topics, the sponsor did not see the final report until it was released to the public. Given its intended audience of U.S. policymakers,

regulators, and the general public, this introductory report was written in an accessible style, free of academic jargon.

Of course, these are all topics whose complexity necessitates further analysis and discussion, and we look forward to engaging them further, with additional depth, as these debates unfold.

The following are key considerations when considering the legalization of sports wagering in the U.S.:



What's the history here?

A series of legislative and judiciary developments have allowed states to determine their own sports wagering policies. This report is aimed at informing these states' decisions.



Can sports wagering be legalized and regulated with integrity?

Yes, in a way that protects both the gaming industry and sports leagues, if proven best practices are implemented.



What are the socio-economic impacts?

Researchers suggest that all forms of gambling are not created equal when it comes to their socio-economic impacts. The types that score higher tend to emphasize job creation and minimize problem gambling harms, while the types that score lowest are those in the illegal sector (including a large illegal sports wagering market today).

Depending on the nature of their business and the attractiveness of their offerings, online sports wagering entities can increase technology jobs and replace illegal consumption.



What happens to problem gambling when new gambling opportunities (like sports wagering) are introduced?

In general, we find the “Adaptation Model,” developed by a team of Harvard Medical School researchers, to have compelling support. This means that after an initial increase in problem gambling rates after new gambling is introduced for the first time, rates tend to taper off (and can even decline) – especially if strong problem gambling programs are introduced. Less clear is whether sports wagering constitutes a “new” form of gambling anywhere in the U.S., as certainly the activity has been available (if not condoned) in illegal settings for decades.



What can be done about problem gambling?

The U.S. National Council on Problem Gambling suggests support for “**PETERRR**”.

So that policymakers might understand the resources available to support these areas, in this section we describe the major U.S. organizations that support these important areas. We also strongly suggest that government funding for these programs is vital, and that states should collaborate with these organizations on problem gambling policy. Finally, we summarize policies, international resources, and the role of behavioral analytics.

Prevention
Education
Treatment
Enforcement
Research
Responsible gaming
Recovery



What are the youth gambling impacts?

Because stakeholders are understandably concerned about underage gamblers, and because this constitutes an at-risk group, we outline the ways in which technology has helped provide safeguards, and suggest that policymakers enact the strongest safeguards available.



In jurisdictions where sports wagering and/or online gambling is not legalized, **what happens in the illegal marketplace?**

In sum, the underground (illegal) marketplace flourishes. As indicated above, these markets are associated with the worst of socio-economic impacts.



The world is “going cashless” – what does this mean for gambling in 2020 and beyond?

Casinos remain one of the last places where “cash is king” – but this is changing rapidly in a COVID environment. As with the rest of these considerations, problem gambling concerns need to be addressed before expansion of cashless wagering is approved. Here, online gambling environments can provide some “best practices” by virtue of their longer history with cashless systems.



What are the risks and solutions for money laundering?

This is one of the few issues where the U.S. federal government takes the lead. We summarize previous IGI work outlining best practices to ensure money laundering risks are substantially minimized.



What are the impacts of marketing in these environments?

Once more, this is a well-researched field, as adverse impacts from marketing to vulnerable populations can be highly problematic. Here, we outline established best practices in both land-based and online environments.



Overall, what are Americans' perceptions of gambling?

According to industry research and those who “vote with their feet” by engaging in gambling, perceptions overall are more positive than they were a generation ago.



How is this affected by COVID-19?

The impacts of the pandemic are varied, deep, and wide. From the shift to cashless referenced above (motivated in part by a desire to sanitize gambling environments) to increased risk for a general U.S. population that, as a whole, is worse off financially than it was before the pandemic hit, we describe the ways in which COVID considerations are paramount today.

